

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Advanced Television Systems) MM Docket No. 87-268
and Their Impact Upon the)
Existing Television Broadcast)
Service)

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COMMENTS OF NATIONAL BROADCASTING COMPANY, INC.

National Broadcasting Company, Inc. ("NBC") hereby submits comments in response to the Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry ("Notice") in the above-captioned proceeding.¹ In addition to these comments, NBC has joined with a broad cross-section of the television broadcasting industry including both stations and other networks in filing joint broadcaster comments.²

In his September 12, 1995 testimony before the Senate Commerce Committee, NBC's President and CEO, Robert C. Wright, said

"At NBC we are committed to and have great confidence in the broadcasting

¹ Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry, MM Docket No. 87-268, FCC 93-315, Released August 9, 1995.

² In all of the preceding phases of this proceeding, NBC has joined in the joint comments of broadcast stations and other networks in a similar manner.

business. As part of that commitment, we intend to lead the industry in the introduction of digital television, and, in particular, motion picture-quality high definition television.”

These comments reflect NBC's commitment to use the Advanced Television ("ATV") channel for the provision of free, universally available, broadcast High Definition Television ("HDTV") service to the American public. We believe the Commission's objective of obtaining this service for the entire public, as quickly and efficiently as possible, and with the least disruption to the existing broadcast service on which the public relies, would be furthered by the adoption of two important and related regulatory requirements: (1) a simulcasting requirement; and (2) a minimum HDTV broadcasting requirement.

I. INTRODUCTION

NBC has always had a tradition of leadership in television broadcasting technology, and ATV/HDTV is no exception.³ Not only did NBC play a significant role in the early efforts of several system proponents to develop a suitable ATV transmission system for U.S. broadcasters, but, throughout the ATV process to date, NBC has played a leading role in the work of the Advisory Committee on Advanced Television Service, the work of the Advanced Television Systems Committee and in funding and guiding the Advanced Television Test Center. NBC has conducted over-the-air HDTV transmission tests and demonstrations, and is vigorously pursuing the future potential of HDTV through its ongoing investment in HDTV equipment. These efforts

³ NBC, with its former parent RCA, was not only a pioneer in television technology dating back to the inception of television broadcasting, but NBC has played a major role in the development of virtually every improvement to the television broadcasting system from that time forward, including color television and multichannel sound.

reflect NBC's deep and continuing commitment to its viewers and to its affiliated stations to provide the best possible broadcast service in terms of both programming content and technical quality.

All other video media and communications services are converting to digital. To compete, indeed, to survive, broadcast service must be in digital too. The Commission's foremost challenge is to ensure that the transition to digital broadcasting occurs -- to ensure that local broadcast stations and national broadcast programming services can compete on a level playing field against the other video services available to the home as we enter the digital age. The Notice correctly identifies several other formidable challenges facing the Commission in this rulemaking proceeding. The Commission simultaneously must (1) create a regulatory framework that will allow consumers to receive free, over-the-air local television service of the highest technical quality, i.e., that exploits the full potential of digital technology; (2) expedite the transition from analog ("NTSC") to digital ("ATV") broadcasting so that consumers can have the benefit of this new technology [and so that the spectrum that local broadcasters are being loaned during the transition can be freed up for other uses]; and (3) ensure that during the transition free over-the-air broadcast service is not harmed and that significant numbers of viewers who continue to rely upon NTSC broadcasts are not deprived of television service.

Given the many uncertainties of the marketplace, e.g., the unknown consumer response to HDTV and other ATV services and enhancements, and the unknown timing of consumer purchases of ATV receivers, the Commission's policies and rules will likely have great impact on

the outcome of the transition. If the Commission gauges correctly in its policy prescriptions, it can have a strong and positive influence on both the interests of consumers and the speed at which the transition occurs. As a general matter, both interests would be well served by Commission policies that facilitate the growth and development of HDTV service with minimal disruption of the programming currently provided to audiences, and with minimal disruption of existing relationships between broadcasters, advertisers and programmers. As described below, a simulcasting requirement combined with minimum HDTV programming requirements would further these goals and are in the public interest.

II. **A SIMULCASTING REQUIREMENT WILL FURTHER THE COMMISSION'S PRIMARY GOALS, PROMOTE INVESTMENT IN HDTV PROGRAMMING, AND ENSURE A SUCCESSFUL, SMOOTH AND ORDERLY TRANSITION**

The Notice revisits the simulcasting requirements adopted previously in this proceeding in the light of advancements in the capabilities of the ATV transmission system, and proposes a revised requirement which would require the simulcast of all material being broadcast on the licensee's NTSC channel on a program service of the ATV channel⁴. NBC agrees with the Commission's conclusion that the current simulcasting requirement should be reexamined and reconciled with the potential the Grand Alliance ATV transmission system will make possible. Moreover, NBC agrees that the simulcasting requirement should look to the programs transmitted on the NTSC channel as a source for material to be simulcast on the ATV channel rather than the

⁴ Notice at ¶¶ 37-43.

opposite.⁵ However, NBC proposes a variation in the specific requirement for simulcasting which would afford licensees additional programming discretion on the ATV channel allowing innovation and exploration of new opportunities created by the enhanced ATV technology.

A simulcasting requirement would foster the Commission's primary regulatory goals. First, simulcasting would ensure that consumers who purchase digital television sets will continue to receive the quality programming service available today on local television stations, but with higher quality pictures and sound. This will clearly be true if the simulcast programming is produced in HDTV, but even programming that is transmitted on the ATV channel in NTSC format, and "upconverted" to digital for display on ATV sets, would be of higher technical quality than what is available on NTSC receivers. Second, simulcasting will also expedite the transition to ATV by ensuring that a significant portion of the most popular broadcast programming, which is now available on the NTSC channel, will also be available on the ATV channel. Consumers will have little incentive to purchase expensive new sets if they cannot use them to see a better (i.e., higher technical quality) version of their favorite programs. Third, simulcasting will protect consumers who have not yet purchased digital receivers by ensuring adequate amount of quality NTSC programming during the transition.

In addition, appropriate simulcasting rules should facilitate investment by broadcasters in HDTV programming, thereby creating additional incentives for consumer investment in ATV

⁵ As the Notice reflects, it is not likely that broadcasters will take their most popular programming off the NTSC channel and put it on the ATV channel where the audience will be, at least initially, very small. See Notice at ¶10.

receivers. In the face of ever-increasing multichannel competition, the audience for broadcast television has remained strong because of the high quality programming television broadcasters offer to the public. NBC believes that programming will remain the decisive factor for the competitive survival of free, over-the-air broadcasting during the transition. The Commission has recognized that at the beginning of the transition to ATV, there will be few, if any, viewers with ATV receivers. If all HDTV programs are distributed only on the ATV channel, or all NTSC programs are distributed only on the NTSC channel, the critical mass of audience necessary to justify costly productions may diminish on NTSC channels or fail to emerge on ATV channels. Accordingly, NBC believes HDTV programming is most likely to be developed if it is for distribution on both NTSC and HDTV channels simultaneously during the transition. A simulcasting requirement may be seen as the practical assurance necessary for initial investment in HDTV quality programs for ATV audiences, and, possibly for continued investment in high quality programs for distribution on the NTSC channel.

The 100 percent simulcasting requirement proposed in the Notice is likely to be too restrictive for broadcasters who may wish to innovate with new programs and formats in HDTV. Moreover, networks and station owners that are committed to HDTV broadcasting on the ATV channel, such as NBC, may wish to make some programs available only in HDTV as ATV receiver penetration increases, in order to create additional incentives for consumers to purchase ATV receivers. Therefore, NBC advocates adoption of a 50 percent simulcasting requirement to be implemented immediately upon commencement of ATV operations. If, over time, the Commission determines that the simulcasting requirement should be altered to achieve the goals

articulated above, the requirement can be changed based on developments in the marketplace.

II. A REQUIRED MINIMUM AMOUNT OF HDTV PROGRAMMING ON THE ATV CHANNEL WOULD SERVE THE PUBLIC INTEREST

The Notice seeks comment on whether the Commission should require broadcasters to provide a minimum amount of HDTV, and, if so, what minimum amount should be required. NBC believes that the overall value of broadcast ATV service to consumers would be greatly diminished if HDTV programming is not widely offered to the public. Moreover, NBC does not believe that free over-the-air television will be able to compete in a multichannel, digital environment unless it can offer viewers high definition pictures comparable to what can be viewed on other sources of video to the home.

The joint broadcaster comments urge the Commission to provide maximum discretion to ATV licensees regarding the number of hours of HDTV programming they transmit on the ATV channel. However, the joint comments also recognize that a commitment to HDTV by the television industry would give program producers and equipment manufacturers the necessary incentives to support HDTV, and would give consumers the exposure to HDTV necessary to drive ATV set purchases.⁶ NBC believes that broadcasters intend to and will use their ATV channels to transmit HDTV programming. But we also believe that, in order to create the marketplace incentives described above, there is merit to having regulatory clarity which reflects the shared understanding about the use to which the ATV spectrum will be put.

⁶ Cite to joint comments

For this reason, NBC urges the Commission to adopt a requirement that licensees broadcast a minimum amount of HDTV programming on their ATV channels. The required amount should not be onerous, and should take into account such factors as the availability of HDTV programming, and others which are enumerated in the joint comments.⁷ Moreover, in order to assure broadcasters flexibility in providing HDTV programming that will be most attractive, the required minimum should be fulfilled over the course of a year, not on a weekly or daily basis. For example, this approach would allow broadcasters fulfill their minimum HDTV programming requirement by offering multi-hour major programming events in HDTV. This type of programming will highlight the capabilities and attractiveness of HDTV to the consumer, and the judgment as to which programs will best be presented in HDTV should be left to the marketplace to the maximum extent possible.

NBC therefore urges the Commission to adopt initially an annual minimum HDTV programming requirement that averages five hours per week.

⁷ Id. at

III. CONCLUSION

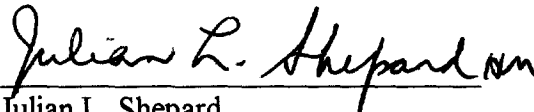
NBC's vision of ATV and the future of free over-the-air broadcast television service has HDTV as its centerpiece. We believe this vision, and the Commission's goals in this proceeding, will best be realized if the Commission adopts an initial 50 percent simulcasting requirement, and a requirement that an annual minimum of HDTV programming, averaging five hours per week, be transmitted on the ATV channel.

Respectfully submitted,

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